AL BAIK FAST FOOD DISTRIBUTION CO S.A.E. v. EL BAIK FOOD SYSTEMS CO, S.A.

HIGH COURT MALAYA, KUALA LUMPUR
AZIZAH NAWAWI J
[ORIGINATING SUMMONS NO: 24IP-38-12-2014]
7 DECEMBER 2015

INTELLECTUAL PROPERTY: *Trade marks – Registered trade mark – Expungement – Application for – Expungement of trademark on basis of non-use – Meaning of aggrieved person within meaning of s. 46(1) of Trade Marks Act 1976 – Whether trademark should be expunged – Trade Marks Act 1976, s. 46*

The plaintiff was a company based in Egypt and had operated a restaurant business under the 'AL BAIK' trademark in Egypt since 2000. The plaintiff had registered the trademark in Malaysia 2005 and had been using the said trademark in fast food restaurants. The defendant was a company based in Saudi Arabia which operated a restaurant business in Saudi Arabia under the same trademark since 1970. In Malaysia, the defendant had registered its trademark in 1997. The defendant initiated an action ('the defendant's action') to expunge the plaintiff's trademark pursuant to s. 45 of the Trade Marks Act 1976 ('the TMA') and the claim was allowed. The plaintiff initially counterclaimed against the defendant seeking to expunge the defendant's trademark under s. 46 of the TMA but the counterclaim was withdrawn with liberty to file afresh. Subsequently, the plaintiff filed the present application to expunge the defendant's trademark under s. 46 of the TMA on the basis of non-use as the defendant had yet to open any restaurant in Malaysia bearing the said trademark. On the contrary, the defendant submitted that (i) because of the court's finding in the defendant's action that the plaintiff was a person using a confusingly similar trademark to the defendant's trademark and had been infringing the defendant's trademark which the plaintiff was seeking to expunge, the plaintiff could not be said to be acting in good faith and was not an aggrieved person within the meaning of s. 46(1) of the TMA; and (ii) defendant had given public notice of ownership of the trademark *vide* an advertisement in the newspaper. The issues that arose for determination were (i) whether the plaintiff was an aggrieved person within the meaning of s. 46(1) of the TMA; and (ii) whether the defendant's trademarks should be expunged for non-use.

Held (allowing plaintiff's application with costs):

(1) The plaintiff was an aggrieved party as the plaintiff had registered its trademark in Malaysia in Classes 29 and 16 and had used the said marks in Malaysia. The plaintiff, as the registered proprietor of its mark, was also aggrieved by the legal action issued by the defendant seeking to expunge its trademark. (para 17)

(2) The plaintiff had not committed the acts of trademark infringement and was therefore an aggrieved person. The present application was filed on 8 December 2014, whereas the decision of the court in the defendant's action was only issued two months later, on 5 February 2015. Before the decision of this court dated 5 February 2015, the plaintiff was actually using its registered trademark. Under s. 56(3) of the TMA, the plaintiff as the registered proprietor of the trademark has the exclusive right to use its trademark. Therefore, there could not be any trademark infringement at the time of the filing of the present action as the plaintiff was merely exercising its proprietary and statutory rights as the registered owner of the said mark. Therefore, as at the date of the filing of the present application, the plaintiff was an aggrieved person within the meaning of s. 46(1) of the TMA. (paras 20 & 21)

(3) The advertisement in the newspaper was not an advertisement of the defendant's restaurant service or products bearing their registered trademarks in the course of trade. The alleged advertisement was actually a public notice with regards to the ownership of the trademarks and possible legal actions on possible infringements. The public notice itself did not show any use by the defendant of the mark in Malaysia at that time. In the said notice, there was no mention of any address of the defendant's business in Malaysia nor of any use of the 'AL BAIK' mark on any particular goods or services of the defendant in the Malaysian market. Therefore, the public notice could not be said to constitute either an 'advertisement, circular or catalogue' of the defendant's non-existing business in Malaysia. (para 39)

(4) Under s. 3 of the TMA, the use of a mark in relation to goods shall be construed as 'references to the use thereof upon, or in physical or other relation to, goods'. The use of the trademark must not be for internal use or for token use, but used on the market in which goods bearing the mark were sold. Further, the courts have consistently held that 'use' of the mark in Malaysia means that there must be actual physical use of the said mark. Since there was no physical use of the defendant's marks, either in relation to the restaurant services or to the goods, the defendant had not used the said marks according to s. 46(1)(b) of the TMA. (paras 30, 34, 40 & 45)

Case(s) referred to:

Acushnet Company v. Metro Golf Manufacturing Sdn Bhd [2006] 7 CLJ 557 HC ***(refd)***
Godrej Sara Lee Ltd v. Siah Teong Teck & Anor (No 2) [2008] 7 CLJ 24 HC ***(refd)***
Laboratorie De La Mer Trade Mark (2006) FSR 49 ***(refd)***
LB (Lian Bee) Confectionary Sdn Bhd lwn. QAF Ltd & Satu Lagi Dan Satu Kes Yang Lain [2011] 7 CLJ 797 CA ***(refd)***
HERMES Trade Mark (1982) RPC 425 ***(refd)***
JN Nichols (Vimto) Ltd v. Rose & Thistle (1994) AIR Cal 43 ***(refd)***

Mesuma Sports Sdn Bhd v. Majlis Sukan Negara Malaysia; Pendaftar Cap Dagangan Malaysia (Interested Party) [2015] 9 CLJ 125 FC ***(refd)***
Nctech Int Bhd v. NCV Technologies Sdn Bhd [2015] MLRHU 195 ***(refd)***
Oishi Group Public Company Ltd v. Liwayway Marketing Corporation [2015] 2 CLJ 1121 HC ***(refd)***
Re The Registered Trade Mark "Yanx" Exp Almagated Tobacco Corporation Limited (1951) 82 CLR ***(dist)***
X1R Global Holdings & Anor v. Y - TEQ Auto Parts (M) Sdn Bhd & Anor [2015] 1 LNS 125 HC ***(refd)***
Yong Teng Hing B/S Hong Kong Trading Co & Anor v. Walton International Ltd [2012] 6 CLJ 337 FC ***(dist)***

Legislation referred to:
Trade Marks Act 1976, ss. 3(2), 45, 46, 56(3)

The Trade and Merchandise Marks Act 1958 [Ind], s. 46(1)
Trademark Directive EEC/89/104 of the European Union, arts. 10, 12

For the plaintiff - Steven Cheok; M/s Kandiah & Sri
For the defendant - PC Kok & HK Ong; M/s PC Kok & Co

Reported by Sandra Gabriel

JUDGMENT

Azizah Nawawi J:

The Application

[1] Enclosure (1) is the plaintiff's application under s. 46(1)(a) and/or (b) Trade Marks Act 1976 ('TMA 1976') to rectify the Trade Marks Register by removing and/or cancelling the defendant's trademark registrations, which are as follows:

No.	Cap Dagang	Nombor	Tarikh Pendaftaran/ Permohonan	Kelas Barangan/ Perkhidmatan	Status
1.		97020468	1/12/1997	43	Registered
2.		97020470	1/12/1997	43	Registered
3.		97017036	25/11/1997	29	Registered
4.		08005624	24/3/2008	30	Registered

5.	البيك ALBAIK	08005628	24/3/2008	29	Registered
6.		08005626	24/3/2008	30	Registered
7.	البيك ALBAIK	08005629	24/3/2008	30	Registered
8.	AL BAIK	08005631	24/3/2008	16	Registered

[2] The grounds of the application are as follows:

(i) the plaintiff is an aggrieved person as stipulated under the TMA 1976;

(ii) aside from the defendant's marks being registered in Malaysia in bad faith, the defendant and did not initiate any use of the "AL BAIK" trademark in good faith or at all with any of the defendant's Malaysian Registrations in respect of any goods or services that have been registered, in Malaysia at all material times, contrary to s. 46(1)(a) of the TMA; and/or

(iii) contrary to s. 46(1)(b) of the TMA, the defendant has not used the mark in question for a continuous period of not less than three years plus one month in relation to the registered goods or services.

[3] After hearing the parties, the plaintiff's application was allowed with costs.

The Salient Facts

[4] The plaintiff is a company based in Egypt and has registered its trademark in Egypt and has operated a restaurant business under "AL BAIK" trademark in Egypt since 2000. The plaintiff had since expanded its business in the Middle East and Asia. The plaintiff has also registered the said mark in Kenya, South Africa, India, China, Iran and Ethiopia.

[5] The plaintiff created the using the word "AL BAIK", with a smiling chicken wearing a "tarboush", a traditional head cover commonly used in Egypt. The mark also includes the chicken device performing a 'welcoming salute' by raising the tarboush.

[6] The plaintiff filed its trademark application in Malaysia in Class 29 and 16 and the same has been registered since 2005.

[7] Since early 2014, the plaintiff has been using its trademark in fast food restaurants in Jalan Bintang and Setapak, Kuala Lumpur and in Shah Alam.

[8] The defendant is a company based in Saudi Arabia and started its food and restaurant business in Jeddah, Saudi Arabia in 1970. The defendant also has restaurants in Makkah Al Mukarama and Al Medina Al Munawarah, the holy lands where pilgrim from all over the world have gone for their pilgrimage.

[9] The defendant has registered its trademark in Saudi Arabia in 1987 and have since expanded to other countries including Europe and the United States of America.

[10] In Malaysia, the defendant has registered its trademark in 1997. Details of the defendant's registered trademarks in Malaysia are as follows:

No.	Cap Dagang	Nombor	Tarikh Pendaftaran/ Permohonan	Kelas Barangan/ Perkhidmatan	Status
1.		97020468	1/12/1997	43	Registered
2.		97020470	1/12/1997	43	Registered
3.		97017036	25/11/1997	29	Registered
4.		08005624	24/3/2008 Priority: 8/9/2007	30	Registered
5.		08005628	24/3/2008 Priority: 28/9/2007	29	Registered

6.		08005626	24/3/2008 Priority: 28/9/2007	30	Registered
7.		08005629	24/3/2008 Priority: 28/9/2007	30	Registered
8.		08005631	24/3/2008 Priority 28/9/2007	16	Registered

[11] The defendant had initiated the originating summons 24IP-17-04-2014 against the plaintiff, in order to expunge the plaintiff's trademarks pursuant to s. 45 of the TMA 1976. The said claim was allowed by this court.

[12] It is also not in dispute that the plaintiff had initially counterclaimed against the defendant in originating summons 24IP-17-04-2014, seeking to expunge the defendant's trademarks under s. 46 of the TMA 1976. The counterclaim was withdrawn with liberty to file afresh. Therefore, on 5 December 2014, the plaintiff filed this application to expunge the defendant's trademarks under s. 46 of the TMA 1976 on the basis of non-use.

[13] After hearing the parties, this court allowed the plaintiff's application to expunge the defendant's trademarks on the basis on non-use pursuant to s. 46 of the TMA 1976.

The Findings Of The Court

[14] It is common ground that the issues in this case are:

(i) whether the plaintiff is an aggrieved person within the meaning of s. 46(1) of the TMA 1976; and

(ii) whether the defendant's trademarks should be expunged for non-use.

[15] The plaintiff's application is premised on s. 46(1)(a) and/or (b) of the TMA 1976 which reads as follows:

Provisions as to non-use of trade mark

46. (1) Subject to this section and to section 57, the Court may, on application by a person aggrieved, order a trade mark to be removed from the Register in respect of any of the goods or services in respect of which it is registered on the ground:

(a) that the trade mark was registered without an intention in good faith, on the part of the applicant for registration or, if it was registered under subsection 26(1), on the part of the body corporate or registered user concerned, to use the trade mark in relation to those goods or services and that there has in fact been no use in good faith of the trade mark in relation to those goods or services by the registered proprietor or registered user of the trade mark for the time being up to the date one month before the date of the application; or

(b) that up to one month before the date of the application a continuous period of not less than three years had elapsed during which the trade mark was a registered trade mark and during which there was no use in good faith of the trade mark in relation to those goods or services by the registered proprietor or registered user of the trade mark for the time being.

[16] It is common ground that the first issue which this court must decide is whether the plaintiff is an aggrieved person within the meaning of s. 46(1) of the TMA 1976. The term 'aggrieved person' is used in both ss. 45 and 46 of the TMA 1976. With reference to the term 'aggrieved person' in both ss. 45 and 46 of the TMA 1976, the Federal Court in *Mesuma Sports Sdn Bhd v. Majlis Sukan Negara Malaysia; Pendaftar Cap Dagangan Malaysia (Interested Party)* [2015] 9 CLJ 125 held at p. 139:

[28] A person aggrieved is a person who has used his mark as a trade mark or who has a genuine and present intention to use his mark as a trade mark in the course of a trade which is the same as or similar to the registered trademark that the person wants to be removed from the register. The person must be someone who has some element of legal interest, right or legitimate expectation in its own mark which is being substantially affected by the presence of the registered mark. The interest or right must be legal or lawful.

[17] I am of the considered opinion that the plaintiff is an aggrieved party as the plaintiff has registered its trademark in Malaysia in Classes 29 and 16 and has used the said marks in Malaysia, as can be seen from the AL Baik restaurants in Setapak, Bukit Bintang and Shah Alam. The plaintiff, as the registered proprietor of its mark, is also aggrieved by the legal action issued by the defendant seeking to expunge its trademarks in OS 24IP-17-04-2014.

[18] However, it is the submission of the defendant that the plaintiff is not an aggrieved party because of this court's finding in OS 24IP-17-04-2014 that the plaintiff is a person using a confusingly similar trademark to the defendant's trademarks which the plaintiff is seeking to expunge. Therefore, the defendant submits that since the plaintiff has been infringing the defendant's trademarks, the plaintiff cannot be said to be acting in good faith and is not an aggrieved person within the meaning of s. 46(1).

[19] On this issue, the defendant relied on the principle of in *bonam partem* as laid out in the case of *LB (Lian Bee) Confectionary Sdn Bhd lwn. QAF Ltd & Satu Lagi Dan Satu Kes Yang Lain* [2011] 7 CLJ 797 where the court held at pp. 672-674:

> We are in agreement with the learned judge's findings that as an infringer and as to what may be regarded as a "policy" ground, the appellant cannot be regarded as a "person aggrieved" for the purposes of s. 46(1) of the TMA. There is a juristic support for this "policy" approach by the leaned judge which was upheld by the Court of Appeal. As a matter of statutory interpretation, the courts have long applied the principle of construction in *bonam partem*. On this point a useful reference can be made to Bennion on Statutory Interpretation, 5th edn, Lexis Nexis, 2005 at p. 792 wherein a passage is reproduced as follows:
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> > Construction in *bonam partem*. In pursuance of the principle that law should serve the public interest, the courts have evolved the important technique known as construction in *bonam partem* (in good faith). If a statutory benefit is given on a specified condition being satisfied, *it is presumed that Parliament intended the benefit to operate only where the required act is performed in a lawful manner. Construction in bonam partem is related to three specific legal principles. The first is that a person should not benefit from his own wrong*. Next is the principle *allegans suam turpitudinem non est audiendus*. *If a person had to prove an unlawful act in order to claim the statutory benefit, this maxim would preclude him from succeeding*. The third related principle is stated by Coke in the words *ubiquid generaliter conceditur inest haec exceptio si non aliquid sit contra jus fasque* (*where a grant is in general terms there is always an implied provision that it shall not include anything which is unlawful or immoral*). (emphasis added)
>
> In accordance with the principle of construction in *bonam partem*, it is noted that the learned trial judge had found that the appellant had been infringing the Registered Trade Mark "Squiggles" since 2007. The Registered Trade Mark "Squiggles" was registered on 20 August 2004. Until its expungement, the registered trade mark remains a registered trade mark. In this case, even before the application for expungement, the appellant had unlawfully been using the Infringing Mark "Squiggle" which is confusingly similar to the Registered Trade Mark. Applying the principle of construction in *bonam partem*, the appellant cannot be regarded as being a *bona fide* "person aggrieved" or a person who is lawfully aggrieved for the purposes of s. 46(1) of the TMA. Furthermore, if the appellant is to

be regarded as a "person aggrieved" for the purposes of s. 46(1) of the TMA, it would mean that all infringers may apply to expunge the very trade mark they have been infringing and this would be contrary to the time honoured principle of not allowing them to benefit from their very own wrong or unlawful act.

[20] However, I am of the considered opinion that it is not correct for the defendant to submit that the plaintiff had committed the acts of trade mark infringement and is therefore not an aggrieved person. This OS was filed on 8 December 2014, whereas the decision of the court in OS 24IP-17-04-2014 was only issued two months later, on 5 February 2015. Before the decision of this court dated 5 February 2015, the plaintiff was actually using its registered trademark. Under s. 56(3) of the TMA 1976, the plaintiff as the registered proprietor of the trade mark has the exclusive right to use its trade mark. Therefore, there cannot be any trademark infringement at the time of the filing of this OS as the plaintiff was merely exercising its proprietary and statutory rights as the registered owner of the said mark. (*X1R Global Holdings & Anor v. Y - TEQ Auto Parts (M) Sdn Bhd & Anor* [2015] 1 LNS 125).

[21] Therefore, as at the date of the filing of this application, I find that the plaintiff is an aggrieved person within the meaning of s. 46(1) of the TMA 1976.

[22] The next issue is whether the defendant's trademarks should be expunged pursuant to s. 46 of the TMA 1976, for non-use in Malaysia. With regards to the 'use' of a trade mark, the relevant provision for consideration is s. 3(2) of the TMA 1976:

In this Act:

(a) references to the use of a mark shall be construed as references to the **use of a printed or other visual representation** of the mark;

(b) references to the use of a mark in relation to goods shall be construed as references **to the use thereof upon, or in physical or other relation to, goods**; (emphasis added)

[23] In respect of 'use' in Malaysia, the plaintiff submits that there is no actual use in good faith of the defendant's trademark as the defendant has yet to open any restaurant in Malaysia bearing the defendant's trademark. There is also no dispute that the defendant has not sold any goods (in relation to food) either bearing the defendant's trademarks.

[24] On the facts of this case, it is not in dispute that despite the registrations of their trademarks, the defendant have not opened any business restaurants in Malaysia. The defendant has also not sold any product bearing their registered trademarks in Malaysia. The defendant's position is that they are in serious discussions and negotiations with the State Government of Kedah and the Dewina Holdings Sdn Bhd to expand the defendant's "AL BAIK" restaurants in Malaysia.

[25] On the requirement of "use in good faith" in s. 46(1), the defendant submits that "use" of the marks in relation to the TMA 1976, must be interpreted in the liberal sense in this modern world, in that where the use of the trademarks outside Malaysia is known to a section of the Malaysian community, the Muslims who have been and seen the defendant's trademark in the holy cities of Makkah Al Mukarama and Al Madina Al Munawarah ('the holy cities'), then the same amounts to use in Malaysia.

[26] The defendant submits that it is sufficient and deemed good use of a trademark if the trademark is used in relation to the relevant goods and services notwithstanding that such use is in other countries, provided that in Malaysia, the Malaysians are aware and are conscious that the trademark is being used in relation to the relevant goods and services (restaurants) thus preserving the essential function of the trademark. To support this proposition, the defendant relied on these facts:

(i) that Malaysians Muslims who have performed the Hajj and the Umrah, have patronised the defendant's restaurants in the holy cities;

(ii) that YB Menteri Besar of Kedah and his entourage had patronised the defendant's restaurant in the holy cities and conducted business meetings with the defendant for the purpose of expanding the defendant's restaurants to Malaysia;

(iii) that many Malaysian have written emails to the defendant to expand their restaurants in Malaysia;

(iv) that media reports on the defendant's restaurants bearing their trademarks can be found in the international journals and read by Malaysians in Malaysia;

(v) that there are Malaysian Facebook accounts showing the defendant's "AL BAIK" trademark, "AL BAIK" restaurants and "AL BAIK" food;

(vi) that the defendant had advertised its trademark in the Star newspaper on 11 August 2014 under the caption "PUBLIC NOTICE", giving public notice that the defendant is the owner of its related trademarks.

[27] To support the above propositions, the defendant relied on several cases. The defendant submits that the Federal Court in *Yong Teng Hing B/S Hong Kong Trading Co & Anor v. Walton International Ltd* [2012] 6 CLJ 337 has accepted that foreign use in relation to the goods as sufficient and accepted use in Malaysia. The defendant relied on the Federal Court judgment at p. 349/H-I where the court held as follows:

> [16] Learned counsel for the respondent submitted that apart from prior use of the "GIORDANO" trade mark in Malaysia, the respondent has established extensive and substantial use of the "GIORDANO" trade mark in Asia since 1981, which use in such countries especially Hong Kong and Singapore ... of the "GIORDANO" trade mark in Malaysia long before the appellant's attempt to register the mark in 1992. Given the

frequency of travels by Malaysians to Hong Kong and Singapore, it would not be untenable in our view to make a finding that the "GIORDANO" trade mark was known to Malaysians even in the 1980's.

[28] However, I am of the considered opinion that the Federal Court in *Yong Teng Hing*'s case (*supra*) did not establish the principle that foreign use in relation to the goods is sufficient and accepted use of the trademarks in Malaysia. This is because the Federal Court has agreed and accepted the finding of facts by the Court of Appeal in the same case that the foreign company, Walton International Ltd, had used the "GIORDANO" trademark in Malaysia prior to the application date. At p. 348, the court held that:

[13] On the issue of prior use and registration, *we are in agreement with the finding of the Court of Appeal in the present case that the respondent had used the "GIRDANO" trade mark in Malaysia prior to the application date. The respondent and/or its licensees had first used the "GIORDANO" trade mark in Malaysia in relation to goods such as articles of clothing, leather belts, bags, wallets, umbrellas and other fashion accessories sometime in 1990.* (emphasis added)

[29] The defendant also relied on the Australian case of *Re The Registered Trade Mark "Yanx" Exp Almagated Tobacco Corporation Limited* (1951) 82 CLR where it was held that a mark is used in Australia if the goods are offered for sale in Australia under the mark whether they are actually in Australia or not. The relevant part of the judgment reads:

On principle and as a matter of common sense, however, it would seem that a mark is used as a trade mark in Australia if it is used here to designate the goods of a particular trader which are offered for sale in Australia under that mark whether the goods themselves are actually in Australia or not. (p204)

Under our Act, the mark need not be used upon the goods. It is sufficient if it is used in connection with the goods. If that mark had to be used upon the goods it might be difficult to say, as in the English cases already cited, that there had been any user in Australia unless the goods on which it was used were in Australia. Since, however, a mark need only be used in connection with the goods, it seems to me that a mark is so used if the goods are offered for sale in Australia under the mark whether they are actually in Australia or not. (p205)

[30] I am of the considered opinion that the above case is distinguishable, because under the Trade Marks Act 1905-1936, relevant in Australia at that time is that, "the mark need not be used upon the goods. It is sufficient if it is used in connection with the goods ...". However under s. 3 of TMA 1976, the use of a mark in relation to goods shall be construed as "references to the use thereof upon, or in physical or other relation to, goods". Our Legislature uses the word "upon ... (the) ... goods" which is different from the said Australian Act.

[31] Added to that, the Australian High Court also said that if the law mandates that the mark had to be 'used upon' the goods, then there cannot be any user in Australia unless the goods on which it was used were in Australia. Therefore, following the above case, as relied on by the defendant, because our law mandates that the trademark be "used upon" the goods, then there must be actual use of the marks on goods in Malaysia.

[32] It is also the submission of the defendant that their registered "AL BAIK" trademarks have been communicated to many third persons. The defendant's registered "AL BAIK" trademark has been communicated as a "trademark" to many Malaysians who consumed their food and restaurant services in the holy cities. The same has been communicated to the Menteri Besar of Kedah as well as to the Malaysian food conglomerate Brahim's Dewina Holdings Sdn Bhd. The defendant submits that such communication to third parties constitutes good use of the "AL BAIK" trademark. For this proposition of law, the defendant relied on the case of *Laboratorie De La Mer Trade Mark* (2006) FSR 49 where the English Court of Appeal held that as long as the communication conveyed the "trademark" as a "trademark" then there is good genuine use of the trademark. At p. 63, the Court of Appeal said as follows:

> I turn to the suggestion, which appears to have found favour with the judge, that in order to be "genuine", the use of the mark has to be such as to be communicated to the ultimate consumers of the goods to which it is used. Although it has some attraction, I can see no warrant for such requirement, whether in the words of the directive, the jurisprudence of the European Court, or in principle. Of course, the more limited the use of the mark in terms of the person or persons to whom it is communicated, the more doubtful any tribunal may be as to whether the use is genuine as opposed to token. However, once the mark is communicated to a third party in such a way as can be said to be "consistent with the essential function of a trademark" as explained in [36] and [37] of the judgment in Ansul, it appears to me that genuine use for the purpose of the directive will be established.

[33] The above case concerns the interpretation of the term "genuine use" of the mark in arts. 10 and 12 of the Trademark Directive EEC/89/104 of the European Union. Bearing in mind that it is based on the Trademark Directive of the European Union and that the term used is different from our s. 3 of the TMA 1976, I am not incline to follow the said decision.

[34] In any event, I take note that the above passage relied by the defendant is only an opinion of one the judges of the Court of Appeal. Added to that, the unanimous decision of the court is that genuine use of a mark is more than just internal use of the registered proprietor, or uses which "are merely token, serving solely to preserve the rights conferred by the mark". The court also held that the trademarks are not only used on the market in which goods bearing the mark were sold to consumers and end users but also where goods

bearing the mark were sold by foreign manufacturers to importers in the United Kingdom. Therefore, this case does not support the defendant's proposition of law, but reinforced the principle that use of the trade mark must not be for internal use or for token use, but used on the market in which goods bearing the mark were sold in the market.

[35] With regards to the defendant's reliance on the case of *JN Nichols (Vimto) Ltd v. Rose & Thistle* (1994) AIR Cal 43, I find that the passage quoted by learned counsel is made *per incuriam* as the issue in that case is whether an import ban amounts to special circumstances under s. 46(1) of the Indian Trade and Merchandise Marks Act 1958.

[36] The defendant also submits on the case of *HERMES Trade Mark* (1982) RPC 425, and quoted the following passage:

> I agree with the observation of Mr. Myall, the assistant registrar, in the REVUE Trade Mark, [1979] R.P.C. 27 at 31, lines 12 to 14, where he said:
>
> > I do not, however, think it is necessary that the goods must exists concurrently with the advertisements.
>
> Thus, if the registered proprietor should commence a series of advertisements featuring his mark as part of an interlocutory campaign, prior to putting his goods on the market under the mark, but before they were actually on the market, in my judgment such use would clearly be use of the mark in the course of trade, not upon the goods or in physical relation thereto, but it would be in other relation thereto, the point being that it would be in the course of trade in those goods, *albeit* in advertisements.

[37] Premised on the above case, the defendant submits that "there are ample advertising and promotional materials and ample evidence showing many Malaysians are aware and are conscious of the defendant's "AL BAIK" trademark in Malaysia.

[38] However, on the factual matrix of *Hermes Trade Mark* (*supra*), the court made the following finding of fact:

> The **directory advertisements in the present case were not advertisement by the proprietors put out in the course of trade in the goods covered by the registration at all**. This is plain from the evidence of Mr. Crockett in his paragraph 12, which I have already read. **That was not use in the course of trade and, therefore, in my judgment, the registered proprietors cannot rely on these directory advertisements at all**, either standing alone or as part of the use as a whole to be taken account with the use relied upon in the steps of the re-launch. (emphasis added)

[39] Looking back at the so called advertisement placed by an agent of the defendant in the local daily, I find that the said advertisement is not an advertisement of the defendant's restaurant service or products bearing their

registered trademarks in the course of trade. The alleged advertisement is actually a public notice in The Star newspaper on 11 August 2014 with regards to the ownership of the trademarks and possible legal actions on possible infringements. The public notice itself does not show any use by the defendant of the mark in Malaysia at that time. In the said notice, there is no mention of any address of the defendant's business in Malaysia nor of any use of the "AL BAIK" mark on any particular goods or services of the defendant in the Malaysian market. Therefore, the public notice cannot be said to constitute either an 'advertisement, circular or catalogue' of the defendant's non-existing business in Malaysia.

[40] Premised on the reasons enumerated above, I do not agree with the defendant's submission on the expansive meaning to the word "use" of the trade mark in the context of s. 3 of the TMA 1976. In fact, our courts have interpreted the word "use" of the trade mark in several cases, and in these cases the courts have consistently held that "use" of the mark in Malaysia means that there must be actual physical use of the said mark.

[41] In *Acushnet Company v. Metro Golf Manufacturing Sdn Bhd* [2006] 7 CLJ 557, the court held that the use of a registered trade mark on an invoice is 'use in the course of trade'.

[42] In *Godrej Sara Lee Ltd v. Siah Teong Teck & Anor (No 2)* [2008] 7 CLJ 24, Justice Ramly Ali (as His Lordship then was) held that:

> **For actual use to arise there must be use of the mark on or in relation to goods. This would include affixing the marks to the goods or in an advertisement, circular or a catalogue.** (emphasis added)

[43] In *Oishi Group Public Company Ltd v. Liwayway Marketing Corporation* [2015] 2 CLJ 1121, the case involved an application to expunge the registration of a trademark premised on non-use. In para. (23) on the judgment, it was held by the court that:

> [23] Therefore from s. 3(2) read with s. 46(1)(b), the reference to use of the mark **must be physical use of the mark on or in relation to the goods by the registered proprietor or registered user**. By simply showing the mark noted on cash invoice of a third party, and not of the registered proprietor or registered user is not 'use' of the registered mark within the meaning of s. 46(1)(b) read with s 3. (emphasis added)

[44] The principles in the above cases were applied in the case of *Nctech Int Bhd v. NCV Technologies Sdn Bhd* [2015] MLRHU 195, where the court finds that "use" of the mark means "the physical use of the marks by the defendant, in relation to the goods, such as affixing the marks on the good itself (such as on handbags/shirts), on sale invoices or in an advertisement, circular or a catalogue".

[45] Since there is no physical use of the defendant's marks, either in relation to the restaurant services or to the goods, I am of the considered opinion that the defendant has not used the said marks in good faith for a continuous period of not less than three years, between 8 November 2011 and 8 November 2014, under s. 46(1)(b) of the TMA 1976. Therefore, the plaintiff's application is allowed with costs.

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